

***FORSCOM Contracting***  
***Annual Assessment***  
***FY98***

August 1997

## **Annual Assessment for FY98**

**Overview.** This is the first assessment of FORSCOM contracting under the new FORSCOM Contracting Strategic Plan. The purpose of this assessment is to determine the priorities of emphasis for the FORSCOM Contracting Annual Plan. Assessing the status of contracting in FORSCOM is a bit of a challenge, because we are on a fast-moving train. New issues are constantly arising, while new solutions and initiatives spring up from all corners. This assessment is our effort to ensure we are focused on the objectives that will gain us the greatest pay-offs.

**Validate Strategic Plan.** Our first annual assessment of FORSCOM Contracting resulted in many refinements of the FORSCOM Contracting Strategic Plan, which was modified as a result of the process. The final version of the Plan is dated August 1997. The most significant change was that the number of Strategic Goals was reduced from fifteen to ten. This was largely due to our attempt to pin metrics on these goals. The final ten goals will allow us to measure more clearly our accomplishments. Another significant change was the modification of the first Strategic Goal, *High Velocity Contracting Process*, from "same day processes" to "processes which produce results fast." This was to preclude the impression that we are a service factory. Our vision of highly skilled acquisition professionals, combined with our emphasis on business judgement rather than restrictive procedures, requires us to position ourselves as a custom shop. We want fast processes and fast customer satisfaction – however, our greatest value is our ability to craft custom contracts, not mass production purchases. Other modifications to the Strategic Plan included adding education to the Vision and Strategic Objectives.

**Prioritize Strategic Goals.** The top three goals this year are (in order of priority): Regionalized Contracting, Best Business Decisions for the Army, and Highly Skilled Acquisition Professionals. These goals were targeted because they afford the most opportunity to gain ground on implementing the vision. This is not to say our other goals are not important, but these will receive our greatest attention during FY98.

**Assess the Core Processes.** Based on our assessment of the opportunities and challenges we will face during FY98, we selected 16 processes for special emphasis. The priorities of the PARC office should not be confused with the priorities of the field (which may be very different) or the relative importance of these processes. The priority listing focuses us on what we

think are the best payoffs for improvement over the next year, based on our ability to influence the processes and the cost of resources. The following are our process improvement priorities for FY98:

Processes targeted to receive the greatest emphasis:

- Acquisition Reform Implementation
- Acquisition Planning
- Market Survey
- Negotiated Contracts

Processes targeted to receive significant emphasis:

- Source Selection Support
- Formal Source Selection
- Contractor Education and Development
- Procurement Process Assistance

Other processes targeted for special emphasis:

- Automation and Information Technology
- Commercial Activities
- Acquisition Process Analysis
- Commercial Items
- Service Contracts
- Quality Assurance
- Customer Education
- PWS/Specification Development

**The Assessment Process.** We used a combination of decision support techniques, modeled in Excel spreadsheets, to develop our priorities. The following pages are extracts of these spreadsheets, and may help readers understand how we arrived at our decisions. I would like to emphasize the spreadsheets are only tools to help us focus our decision-making skills, and are not the decision makers themselves. The final result was the judgment of the PARC staff team, based on their knowledge and expertise. Page four shows the assessment of the Strategic Goals and a list of metrics. Page five is the assessment of the Core Process. The instructions and weighting for the Core Process assessment are at page six. Page seven shows how we define the Core Processes by Process Owner, Product and Customer. We will post the actual spreadsheet models at our web site for those who may want to see how they work in detail. We welcome any comments on this assessment or the process we use to determine our priorities.

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## Assessment of Strategic Goals:

Strategic Goal	Impact on FORSCOM	Impact on Contracting	Opportunity to Improve	AVG	Decision
1 High velocity contracting processes.	8	10	9	9.0	10
2 High quality contracts.	4	4	8	5.3	5
3 Efficient contracting processes.	6	8	7	7.0	8
4 Highly skilled acquisition professionals.	7	5	2	4.7	3
5 Empowered workforce.	10	9	6	8.3	9
6 Best business decisions for the Army.	2	1	5	2.7	2
7 High quality, efficient contractors.	3	3	10	5.3	6
8 Regionalized contracting.	1	2	1	1.3	1
9 The right mix of acquisition expertise.	9	7	4	6.7	7
10 Information technology that multiplies the effect of the acquisition workforce.	5	6	3	4.7	4

### Instructions:

Rank order goal in each category from 1 to 10

**Impact on FORSCOM:** 1 means the goal has the greatest impact on furthering the FORSCOM Vision, 10 is the least.

**Impact on Contracting:** 1 means the goal has the greatest impact on furthering the Contracting Vision, 10 is the least.

**Opportunity to Improve:** 1 means the goal has the greatest potential for improvement *in the next year*, 10 is the least.

The simple average of these rankings are shown in the "AVG" column.

Use the "Decision" column to rank the goals overall, based on the AVG column and judgment

## Goal Metrics

This is our initial list of metrics for the Strategic Goals

### High velocity contracting processes

Contract Administration Lead Time (CALT)

### High quality contracts

Customer Satisfaction

### Efficient contracting processes

Cost per Dollar Obligated

### Highly skilled acquisition professionals

DAWIA Certification

### Empowered workforce

Approvals

### Best business decisions for the Army

Competition

Sustained Protests

Contract Management Review Ratings

IMPAC Card usage

### High quality, efficient contractors

Past Performance

### Regionalized contracting

Regionalization Savings

### The right mix of acquisition expertise

(Under development)

### Information technology that multiplies the effect of the acquisition workforce

Computer Workstations

## Assessment of Core Processes:

	Strategic Goal	FORSCOM Goal	Efficient & Effective	Risk	Payoff	Cost	Score	Priority	Decision	R/I/M
<b>a. Strategic Acquisition Management</b>										
(1) Strategic Planning	H	H	M	L	H	M	146	18		M
(2) Acquisition Reform Implementation	H	H	L	H	H	M	163	1	1	I
<b>b. Acquisition Management</b>										
(1) Acquisition Planning	H	H	L	H	H	M	163	1	1	I
(2) Acquisition Guidance and Procedures	H	H	M	M	M	M	140	20		M
(3) Personnel Management	L	L	M	L	L	L	80	33		M
(4) Training	H	H	H	L	L	M	117	23		M
(5) Education	H	H	M	H	H	H	145	19		M
(6) Automation and Information Technology	H	H	L	H	H	H	153	9	3	I
(7) Consolidation / Master Contracts	H	H	M	M	H	M	151	17		M
(8) IMPAC Card Program	L	L	H	L	L	H	51	39		M
(9) Commercial Activities	H	H	L	H	H	H	153	9	3	I
<b>c. Business Analysis</b>										
(1) Cost and Price Analysis	M	M	M	M	M	M	113	25		M
(2) Acquisition Process Analysis	H	H	L	H	H	H	153	9	3	I
(3) Source Selection Support	H	H	M	H	H	M	156	6	2	I
(4) Market Survey	H	H	L	H	H	M	163	1	1	I
<b>d. Contract Award</b>										
(1) Formal Source Selection	H	H	M	H	H	M	156	6	2	I
(2) Negotiated Contracts	H	H	L	H	H	M	163	1	1	I
(3) Sealed Bid	L	L	H	L	L	L	73	34		M
(4) Commercial Items	H	H	L	H	H	H	153	9	3	I
(5) Simplified Acquisition	L	L	M	L	L	M	69	36		
<b>e. Contract Administration</b>										
(1) Service Contracts	H	H	L	H	H	H	153	9	3	I
(2) Supply Contracts	L	L	H	L	L	L	73	34		M
(3) Construction Contracts	M	M	M	M	H	M	123	22		M
(4) Quality Assurance	H	H	L	H	H	H	153	9	3	I
(5) Payment	L	L	M	M	H	M	96	27		M
(6) Close-out	L	L	M	M	M	L	96	27		M
<b>f. Technical Assistance</b>										
(1) Customer Education	H	H	L	H	H	H	153	9	3	I
(2) PWS / Specification Development	H	H	L	H	H	H	153	9	3	I
(3) Contractor Education and Development	H	H	L	M	H	M	158	5	2	I
(4) Procurement Process Assistance	H	H	M	H	H	M	156	6	2	I
<b>g. Contingency Contracting</b>										
(1) Contingency Contracting Officer Training	H	H	M	M	M	M	140	20		M
(2) Contingency Planning	L	M	L	L	M	L	113	24		M
(3) Unit Ordering Officer Training	L	L	M	M	M	M	85	30		M
(4) Unit COR Training	L	L	M	M	M	M	85	30		M
(5) Deployment/ Contingency Operations	L	M	H	M	M	M	93	29		M
(6) Force Projection Support Base Ops	L	L	M	M	M	M	85	30		M
<b>h. Risk Analysis and Mitigation</b>										
(1) Justifications and Approvals	L	L	H	L	L	H	51	39		M
(2) Protests	L	L	H	L	L	M	62	37		M
(3) Disputes & Claims	L	L	L	M	H	M	103	26		M
(4) FOIA Requests	L	L	H	L	L	M	62	37		M

## Instructions for the Core Process Assessment:

Begin by ranking each area by High (H), Medium (M) or Low (L). If necessary, differentiate between rankings by using the discriminators shown below.

**Strategic Goal:** How well would reengineering or improving this process support the high priority (top five) strategic goals?

**FORSCOM Goal:** How well would reengineering or improving this process support the FORSCOM goals?

**Efficient & Effective:** How efficient and effective is the process right now?

**Risk:** How much risk is inherent in the way this process is currently operating? Does the process frequently produce poor or unexpected results? Does the process occasionally produce very bad or very costly results? Could the process produce disastrous results?

**Payoff:** How much benefit, both tangible and intangible, would there be in improving or reengineering this process?

**Cost:** How great would be the cost, in terms of work hours, resources, and level of effort, to reengineer or improve this process?

The **Priority** column will rank order the processes based on the resulting scores. Use the **Decision** column to post the final priority of each process, based on the results shown in the **Priority** column and judgement. This scoring system is designed only to aid in the decision making process, not to make the actual decision. Use the R/I/M column to show whether the process will be Reengineered (R), Improved (I), or Maintained (M). This column may be filled in prior to ranking for certain processes if it will affect the way the processes will be evaluated.

Scoring	Weights					Ranking		
The score is the weighted sum of categories, based on the weights given at right. The higher the score, the more important it is to either reengineer or improve that process. High rankings in <i>Strategic Goal</i> , <i>FORSCOM Goal</i> , and <i>Risk</i> results in higher scores. A high ranking in <i>Efficient &amp; Effective</i> results in a lower score. The difference between <i>Payoff</i> and <i>Cost</i> results in a higher score.	Strategic Goal	FORSCOM Goal	Efficient & Effective	Risk	Payoff/Cost	For:	Use:	Equivalent
						Very High	HH	7
						High	H	6
						Medium High	MH	5
						Medium	M	4
						Medium Low	ML	3
	2.50	3.00	1.50	1.00	2.17	Low	L	2
	(from Weights worksheet, page 9)					Very Low	LL	1

## Worksheet Used for Determining Weights:

Is:	More important than:	Score
Strat Goal	FORS Goal	L
Strat Goal	Efficiency	M
Strat Goal	Risk	M
Strat Goal	Net Payoff	M
FORS Goal	Efficiency	M
FORS Goal	Risk	M
FORS Goal	Net Payoff	M
Efficiency	Risk	M
Efficiency	Net Payoff	L
Risk	Net Payoff	L

Score each pair based on whether the first of the pair is:			Numerical
			Equivalent
Much More Important	MM		3
More Important	M		2
The Same	S		1
Less Important	L		0.5
Much Less Important	LL		0.3
than the second of the pair.			

## Relationship Matrix

	Strat Goal	FORS Goal	Efficiency	Risk	Pay Ratio	WEIGHT
Strat Goal	1.00	0.50	2.00	2.00	2.00	2.50
FORS Goal	2.00	1.00	2.00	2.00	2.00	3.00
Efficiency	0.50	0.50	1.00	2.00	0.50	1.50
Risk	0.50	0.50	0.50	1.00	0.50	1.00
Pay Ratio	0.50	2.00	2.00	1.00	1.00	2.17

## Definitions of Core Processes:

	Owner (Level of Process)	Products	Customer
<b>a. Strategic Acquisition Management</b>			
(1) Strategic Planning	PARC, DOCs	Strategic Plan	Commanders
(2) Acquisition Reform Implementation	PARC, DOCs	Streamlined Procedures	Commanders, Requirers
<b>b. Acquisition Management</b>			
(1) Acquisition Planning	PARC, DOCs, KOs	Acquisition Plan, AAP	Commanders, Requirers
(2) Acquisition Guidance and Procedures	PARC, DOCs	Guidance and Procedures	KOs, Requirers
(3) Personnel Management	Supervisors		Acquisition Professionals
(4) Training	PARC, DOCs, Supv	Trained Acquisition Professionals	Acquisition Professionals
(5) Education	PARC, DOCs, Supv	Educated Acquisition Professionals	Acquisition Professionals
(6) Automation and Information Technology	PARC, DOCS, Analysts	Readily Available Information	All
(7) Consolidation / Master Contracts	DOCs	Regionalization Plan	Commanders, Requirers
(8) IMPAC Card Program	DOCs	Credit Card Program	Commanders, Requirers
(9) Commercial Activities	PARC, DOCs	Commercial Activity Decision	Commanders
<b>c. Business Analysis</b>			
(1) Cost and Price Analysis	KOs, C&P Analysts	Cert Fair & Reasonable Price	Commanders, Requirers
(2) Acquisition Process Analysis	PARC, DOCs	Metrics describing processes	Managers
(3) Source Selection Support	PARC, DOCs, KOs	Source Selection Decision	Commanders, Requirers
(4) Market Survey	KOs	Source List	Commanders, Requirers
<b>d. Contract Award</b>			
(1) Formal Source Selection	KOs	Contract	Commanders, Requirers
(2) Negotiated Contracts	KOs	Contract	Commanders, Requirers
(3) Sealed Bid	KOs	Contract	Commanders, Requirers
(4) Commercial Items	KOs	Contract	Commanders, Requirers
(5) Simplified Acquisition	KOs	Purchase Order	Commanders, Requirers
<b>e. Contract Administration</b>			
(1) Service Contracts	KOs	Service Delivered	Commanders, Requirers
(2) Supply Contracts	KOs	Supply Delivered	Commanders, Requirers
(3) Construction Contracts	KOs	Construction Delivered	Commanders, Requirers
(4) Quality Assurance	KOs	Correct Supply or Service	Commanders, Requirers
(5) Payment	KOs	Remunerated Contractor	Contractor
(6) Close-out	KOs	Closed Contract	Public Trust
<b>f. Technical Assistance</b>			
(1) Customer Education	PARC, DOCs, KOs	Educated Customers	Requirers
(2) PWS / Specification Development	PARC, DOCs, KOs	Excellent PWS/Specifications	Requirers
(3) Contractor Education and Development	DOCs, KOs	Excellent Contractors	Contractors, Potential Contrctrs
(4) Procurement Process Assistance	PARC, DOCs, KOs	Smooth Procurement Processes	KOs, Requirers
<b>g. Contingency Contracting</b>			
(1) Contingency Contracting Officer Training	DOCs	Trained CKO	CKOs
(2) Contingency Planning	DOCs, CKOs	OPLANs	Combatant Commanders
(3) Unit Ordering Officer Training	DOCs, CKOs	Trained Unit O/O	Combatant Commanders
(4) Unit COR Training	DOCs, CKOs	Trained COR	Combatant Commanders
(5) Deployment/ Contingency Operations	DOCs, CKOs	Contingency Contracts	Combatant Commanders
(6) Force Projection Support Base Ops	DOCs, CKOs	Contingency Contracts	Combatant Commanders
<b>h. Risk Analysis and Mitigation</b>			
(1) Justifications and Approvals	PARC, DOCs, KOs	Justified Limited Competition	Public Trust
(2) Protests	PARC, DOCs, KOs	Resolved Protest	Public Trust, Protesters
(4) Claims	PARC, DOCs, KOs	Resolved Claim	Public Trust, Claimants
(5) FOIA Requests	PARC, DOCs, KOs	Released Information	Public Trust, Public